

venture market summary

BY VENTUREWIRE STAFF REPORTERS

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For Willowridge Inc. and Saints Capital, one man's loss is another man's "active" asset.

More than one year after Amerindo Investment Advisors Inc.'s co-founders got into legal trouble related to the handling of clients' money, Willowridge and Saints are now in control of the defunct money management firm's bubble era foray into Internet start-ups, the Amerindo Internet Fund.

Willowridge and Saints snapped up the 40 company-strong portfolio without much fanfare last March. Now, the two firms, which specialize in secondary offerings, are busy pumping new life -- and some new money -- into their old fund's portfolio companies, including CiDRA Corp. and Boingo Wireless Inc.

Willowridge is likely to move further into investing in similarly distressed venture assets, looking for what its founder Jerry Newman calls "older funds as they seek to sell their few remaining assets to allow them to wind down."

Willowridge and Saints aren't the only secondary firms paying more attention to venture capital assets of late. Late last year, Credit Suisse designated some \$200 million of its newly raised secondary fund for venture capital deals.

Newman sees the distressed venture niche as a great opportunity to partner with venture capital firms which don't necessarily want to do the dirty work involved in buying a whole portfolio, which may contain more losers than winners. "Venture capitalists don't want to touch this stuff, they want to set their own terms," Newman said. By Willowridge's reckoning,

some 15 of the Amerindo Internet Fund's 40 companies are "active," or worthy of follow on attention and/or funding.